

FINANCE SECRETARIAT

Records the Annual Administration Report of the Commercial Taxes Department for the year 1962-63 relating to Mysore Sales Tax Act, 1957.—

READ.—

Letter No. MST/ADM/PR/18/63-4, dated 31st August 1963 from the Commissioner of Commercial Taxes in Mysore, Bangalore.

ORDER No. FD 389 CSL 63, DATED BANGALORE, THE 6TH APRIL 1964
(CHAITRA 16, SAKA ERA 1886).

The Commissioner of Commercial Taxes in Mysore, Bangalore has forwarded the Annual Administration Report for the year 1962-63 under the Mysore Sales Tax Act, 1957.

2. Sri C. Narasimha Moorthy continued to be the Commissioner during the year 1962-63.

3. During the year, five posts of Commercial Tax Officers which had been created to complete the work of assessment under the Bombay Sales Tax Act, 1953, were abolished on completing the assessments. Seven posts of Additional Commercial Tax Officers and seven posts of Additional Assistant Commercial Tax Officers were created during the year to clear the pendency of assessments under the Mysore Sales Tax Act, 1957. Except these changes, the administration set up of the Department continued to be the same as in the year 1961-62.

4. *Important Changes in the Mysore Sales Tax Act, 1957 and Rules made during the year 1962-63.*—(a) The Act was amended twice during the year. A brief summary of the amendments made is given below :—

Mysore Sales Tax (Amendment) Act, 1962 (Mysore Act No. 26 of 1962).

(b) This act received the assent of the Governor of Mysore on 29th August 1962. By this Act, Sections 7, 12A and 40 of the principal Act were amended with effect from 1st October 1957. Rule 6 of the Mysore Sales Tax Rules, 1957 was amended with suitable modifications and given effect to from 1st October 1957. The amendments in question were necessitated by certain judicial pronouncements.

(c) Mysore Sales Tax (Second Amendment) Act, 1962 (Mysore Act No. 30 of 1962).

This Act received the assent of the Governor of Mysore on 29th September 1962 and by a notification issued in exercise of the powers conferred by sub-section (2) of Section 1, Government gave effect to this Act from 1st October 1962. The changes brought about by this Amendment Act were intended to secure higher sales tax revenue to the State by giving effect to certain suggestions made by the Resources and Economy Committee.

5. *Amendments made to the Mysore Sales Tax Rules, 1957.*—(a) The Mysore Sales Tax Rules, 1957 were amended during the year 1962-63 by means of the two notifications. In the first notification, the procedure to be followed at the check posts and for stopping and inspecting transport vehicles was prescribed. The amendments included a provision requiring the assessing authorities to issue a notice in the prescribed Form No. 31A before a best of judgment assessment is made. It also empowered the Assistant Commissioner of Commercial Taxes to exercise Appellate powers in respect of assessments made by the Assistant Commercial Tax Officers.

(b) The amendment as per the Second Notification requires the assessing authority to issue refund payment order direct to the Bank.

6. *Working of the Intelligence Section.*—(a) This Section continued to function as a part of the office of the Commissioner of Commercial Taxes under the direct control of the Commissioner. The work of this Section during the year under report consisted mainly:— (1) Vigilance work, (2) Survey, (3) Surprise inspection of business premises for detecting malpractices, (4) Detection of new cases, (5) Detection of cases where sales bills or delivery notes are not issued, (6) Checking of consignments which are imported into the City from various places, (7) Ascertaining from transport companies the names of the real assignees in respect of lorry transactions, etc.

(b) The Commercial Tax Inspectors of this Section were posted at the various important business places for vigilance work and detection of cases.

(c) The Sub-Inspectors were posted at two important toll-gates (Okads), viz, Tumkur Road Toll-gate and Hosur Road Tollgate, through which bulk of the goods are imported into the City, for checking goods vehicles and recording the particulars of the consignments. The particulars so gathered were classified circlewise and transmitted to the several offices in the State for purpose of verification.

(d) Frequent surprise inspections were made by the Officers of the Intelligence Sections and books of accounts of doubtful nature were seized for purpose of verification, wherever suppression of turnover was found as a result of verification. The Officers of the jurisdictions concerned were instructed to take necessary action for realising the escaped tax along with penalty.

(e) After Section 28-A of the Mysore Sales Tax Act, 1957 and Rules 23-B to 23-E of the Mysore Sales Tax Rules came into force, the Officers of the Intelligence Section started checking of goods vehicles at Toll gates and other places within the City limits. This work was commenced in February 1963, 310 offences were booked and a sum of Rs. 5,279-30 was realised by way of compounding fees.

(f) The following particulars show in brief, the work turned out by the Intelligence Section during the year 1962-63.

1) Number of consignments with G. C. Notes checked at Toll-gates and communicated to circle offices for verification	...	6,678
2) Number of new cases detected	...	133
3) Number of cases detected where bills were not issued for sales, purchases were not accounted	...	123
4) Number of cases recommended for transfer to Commercial Tax Officers from the files of Assistant Commercial Tax Officers	...	72
5) Number of cases where suspicious books of accounts were seized	...	73
6) Number of cases detected wherein accounts were not maintained	...	66
7) Number of reference sent to the officers of the jurisdiction concerned for verification	...	322
8) Amount collected under Section 23A and under Section 31 by checking vehicles.	...	5,279-30

(g) The survey and surprise inspections conducted by the Intelligence Section not only resulted in the detection of a number of new cases and cases of defaults which directly go to enhance the revenue, but also have gone a long way in minimising the malpractices of the dealers which if left unchecked would have resulted in large scale evasion. The constant vigilance of the staff has had a tonic effect on the minds of the business community and an increased turnover was given by the dealers. A good number of cases which continued to remain on the files of the Assistant Commercial Tax Officers were got transferred to the Commercial Tax Officers.

7. Mysore Sales Tax Act, 1957 Period: 1st April 1963 to 31st March 1963 working of the Act:

Three thousand seven hundred and eighty-five cases under appeals and 803 cases under revisions were pending at the beginning of the year with the Deputy

Commissioner of Commercial Taxes and the Assistant Commissioners of Commercial Taxes. The receipt during the year were 1,855 and 573 under appeals and revisions respectively. 3,671 cases under appeals and 793 cases under revisions were disposed off during the year leaving a balance of 3,939 cases under appeals and 685 cases under revision.

8. *Suo Motu Revisions by the Commissioner of Commercial Taxes.*—The number of cases under Sales Tax Acts where the Commissioner's interference in *suo motu* revision become necessary with a view to safeguard the interests of revenue, have shown an increase, the increase during the year 1962-63 being particularly marked. The Statistics given below relating to the year 1960-61, 1961-62 would show the intensification of work under this head and the resultant increase in revenue.

	1960-61	1961-62	1962-63
1. Cases where proceedings initiated were dropped. ...	1	3	5
2. Cases in which assessments were remanded for fresh disposal. ...	—	4	8
3. Cases where tax was enhanced. ...	3	5	36
	4	12	47
4. Tax enhanced as a result of revision. ... Rs. 467-62	18,975-50	1,93,349-76	

9. The number of registered dealers as on 1st April 1962 was 68,081. 8,200 cases were registered afresh during the year and 4,568 registration certificates were cancelled. Thus the total number of registered dealers at the end of the year was 71,716 and Registration fee collected during the year was Rs. 4,33,315-31.

10. The number of dealers with turnover less than Rs. 40,000- and those with turnover exceeding Rs. 40,000 were 45,139 and 20,739 respectively. Thus, the total number of dealers assessed to tax during the year was Rs. 6,168. In addition to this, 1,729 returns were disposed of under Bombay Sales Tax Act, 1953.

11. The total number of licences issued under sections 6 and 11 were 19,452 and 3,514 respectively. The total licence fee collected during the year was Rs. 19,23,161-34.

12. The net revenue realised after deducting Rs. 13,05,013-63 towards refunds was Rs. 8,31,39,190-86.

13. The position of Demand, Collection and Balance under Sales Tax during the year under review as compared with those for the years 1960-61 and 1961-62 is shown below:—

Demand	Collection	Balance	Percentage of collection
1960-61			
Arrears :			
1,57,38,573-06	62,63,031-12	91,75,551-94	40
Current :			
5,77,01,186-97	5,17,13,412-28	59,90,774-69	90
Total :			
7,34,42,760-03	5,79,76,433-40	1,44,66,326-63	79
1961-62			
Arrears :			
1,26,55,310-33	44,63,712-42	81,91,597-91	35
Current :			
7,18,63,321-71	6,44,17,798-91	74,65,522-80	90
Total :			
8,46,88,632-04	6,88,81,511-33	1,56,57,120-71	81
1962-63			
Arrears :			
1,21,21,542-47	48,22,172-67	73,03,369-80	40
Current :			
8,54,78,905-49	7,67,91,918-29	81,81,957-20	90
Total :			
9,76,01,447-93	8,16,17,120-93	1,59,87,327-00	81

There is steady increase both in demand and collection from year to year and the percentage of balance is regularly decreasing, viz., 21%, 19% and 16%. The increase in collection during the year 1962-63 over that of the year 1961-62 is Rs. 1,27,35,609-63. The balance at the close of the year 1962-63 is covered by suitable action for recovery.

14. One thousand eight hundred and fifty-six prosecution cases were pending at the beginning of the year i.e., on 1st April 1962. Prosecutions were launched in 5,440 cases during the year 1962-63, bringing the total number of cases for disposal during the year 1962-63 to 7,296. Out of this, 4,999 cases were disposed of leaving a balance of 2,297 cases at the end of the year.

15. The total number of offences other than prosecution cases for disposal during the year 17,543, including 2,006 cases pending at the beginning of the year. 16,896 cases were disposed of during the year, leaving a balance of 647 cases at the close of the year. The compounding fee collected during the year was Rs. 2,38,451-12.

16. The Deputy Commissioners of Commercial Taxes of the Divisions conducted 31 inspections during the year under report. In addition to this, a number of inspections were conducted by the Assistant Commissioners of Commercial Taxes and also by the Commissioner of Commercial Taxes.

17. The percentage of arrears has decreased to 16% from 21% in 1960-61 and 19% in 1961-62. The percentage of collection has increased to 84%. The entire balance is covered by suitable action. The administration of the Act was, on the whole, satisfactory.

18. The report be recorded, with the observation that more attention should be given for detecting new cases.

By Order and in the name of the Governor of Mysore,

N. J. GOREPEERZADE,

Under Secretary to Govt., F. D.

REVENUE SECRETARIAT

Passes orders re. grant of enhanced relief to the sufferers in accidental fire cases.

READ—

1. Government Order No. RDF 34 FIR 57, dated 21st July 1958.
2. Letter No. AFR 8923/62-63, dated 19th March 1963 from the Divisional Commissioner, Bangalore.
3. Government letter No. RDF 6 TFA 63, dated 4th April 1963.
4. Letter No. AFR 8923/62-63, dated 4th February 1964 from the Divisional Commissioner Bangalore.

PREAMBLE—

The Divisional Commissioner, Bangalore, had stated that the relief granted to the victims of accidental fire cases as per the rules prescribed in Government Order No. RDF 34 FIR 57, dated 21st July 1958 was quite inadequate and that it is necessary to revise these rules so as to be in conformity with those relating to the grant of relief in the case of floods. The proposal about modification of the rules for the grant of relief to the victims of accidental fire cases was then discussed by the Divisional Commissioners in conference. They felt that the rules governing the grant of relief to the victims of accidental fires need not necessarily be fully in conformity with the rules governing the grant of relief in the case of floods as calamities caused by floods are totally different in nature.